



**Center For Medicaid and State Operations**

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May 30 2003

Mr. Rod. L. Betit  
Executive Director  
Utah Department of Health  
288 North 1460 West  
PO Box 143101  
Salt Lake City, Utah 84114-3101

Dear Mr. Betit:

I am pleased to inform you that the Centers for Medicare & Medicaid Services (CMS) is approving Utah's request to amend its Primary Care Network Demonstration Project (No. 11-W-00145/8) to create a new premium assistance program for employer-sponsored insurance (ESI), to reduce the enrollment fee for Demonstration Population I beneficiaries who are eligible for the State's General Assistance program, and to make technical corrections to the Special Terms and Conditions (STCs).

No new demonstration authority is required to implement the ESI amendment. The following costs not otherwise matchable authority is modified to add coverage for costs associated with the ESI premium assistance under this amendment.

Costs Not Otherwise Matchable

Under the authority of section 1115(a)(2) of the Social Security Act (the Act), expenditures made by the State for items identified below (which are not otherwise included as expenditures under section 1903) shall, for the period of this project, be regarded as expenditures under the State's title XIX plan.

1. Expenditures to provide Primary Care Network coverage and coverage for premium assistance for employer-sponsored insurance to individuals age 19 and above with incomes under 150 percent of the federal poverty level who would not otherwise be eligible for Medicaid. (Demonstration Population I)

The following Special Terms and Conditions are modified as indicated below.

**STC VI.1 Benefits - Minimum for current eligibles.** The benefit package for current eligibles in the demonstration is that detailed in the State's proposal of December 11, 2001, and as further amended August 20, 2002. This benefit package is reduced from that available under the State plan. Any changes to the benefit package, other than those made via State plan amendment (SPA), must be submitted as a demonstration amendment. Changes made via an SPA must be submitted as a change to the Operational Protocol. The benefit package for current eligibles may not be reduced below the level of one of the benefit packages allowed under title XXI. The State will monitor and report on the impact of the benefit reduction on current eligibles.

**STC VII.1 Cost-Sharing - Current eligibles.** Cost sharing amounts for current eligibles are those submitted in the State's December 11, 2001, proposal, and as amended on August 20, 2002. Any changes, other than those made via SPA, must be submitted as a demonstration amendment. Changes made via SPA must be submitted as a change to the Operational Protocol. In all cases, cost sharing amounts for current eligibles must be limited to nominal amounts in accordance with Section 1916 of the Act and implementing regulations at 42 CFR 447.53-54. In addition, the State must exempt current eligibles from cost sharing for those services and populations identified in 42 CFR 447.53-54.

**STC VII.2 Demonstration Population I.** Cost sharing amounts for Demonstration Population I eligibles are those submitted in the State's December 11, 2001, proposal, and as amended on August 20, 2002. Any increases must be submitted as a demonstration amendment. Any reductions or waivers of cost sharing amounts shall be submitted as a change to the Operational Protocol.

**STC VII.5 Cost-Sharing - Enrollment fee.** The State may impose an annual enrollment fee of up to \$50.00 for Demonstration Population I eligibles. Any increases to the enrollment fees must be submitted as a demonstration amendment. Any reductions or waivers of the enrollment fee must be submitted as a change to the Operational Protocol. The State shall send samples of all premium notices and any other public notices relating to imposition of premiums, disenrollment for non-payment of premiums, and beneficiary rights and responsibilities under the premium requirement to CMS for review. No enrollment fee may be imposed on current eligibles or Demonstration Population II eligibles.

All other waivers and STCs stipulated in our approval letter of August 20, 2002, remain in effect. The award is subject to our receiving your written acceptance of this award and the modified STCs within 30 days of the date of this letter.

Congratulations on the approval of your amendment, and best of luck on its impending implementation. Your Project Officer for this project remains Sharon Donovan, who can be reached at (410) 786-2561.

Sincerely,

/s/

Thomas A. Scully